--REMARKS--

Applicant thanks the Examiner for her many courtesies during the telephone conversation of February 10, 2006. Claims 1-23 were rejected by the Examiner on various grounds. The Applicant addresses each of these grounds as recited herein.

Claims 1-23 were rejected under 35 U.S.C. §103(a) as unpatentable over admitted prior art and Shida (US Pub. No. 2002/0087396) in view of "Air Force Instruction 36-815" (hereinafter AFI 36-815). Applicants traverse this rejection.

To establish a *prima facie* case of obviousness, there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine reference teachings. *See* MPEP 2143. The Applicant respectfully asserts that the cited references fail to establish a *prima facie* case of obviousness.

The rationale to modify or combine the prior art may be expressly or impliedly contained in the prior art *or* it may be reasoned from knowledge generally available to one of ordinary skill in the art, established scientific principles, or legal precedent established by prior case law. MPEP §2144, *In re Fine*, 837 F.2d 1071, 5 USPQ2d 1596 (Fed. Cir. 1988); *In re Jones*, 958 F.2d 347, 21 USPQ2d 1941 (Fed. Cir. 1992). *See also In re Kotzab*, 217 F.3d 1365, 1370, 55 USPQ2d 1313, 1317 (Fed. Cir. 2000) (setting forth test for implicit teachings); *In re Eli Lilly & Co.*, 902 F.2d 943, 14 USPQ2d 1741 (Fed. Cir. 1990) (discussion of reliance on legal precedent); *In re Nilssen*, 851 F.2d 1401, 1403, 7 USPQ2d 1500, 1502 (Fed. Cir. 1988) (references do not have to explicitly suggest combining teachings); *Ex parte Clapp*, 227 USPQ 972 (Bd. Pat. App. & Inter. 1985) (examiner must present convincing line of reasoning supporting rejection); and *Ex parte Levengood*, 28 USPQ2d 1300 (Bd. Pat. App. & Inter. 1993) (reliance on logic and sound scientific reasoning).

The Examiner properly does not cite to any express or implied teachings in either the admitted prior art, Shida or AFI 36-815, as none of the references, alone or in combination, provides any such teaching. Therefore, the Examiner must be attempting to rely on either knowledge generally available to one of ordinary skill in the art, established scientific principles, or legal precedent established by prior case law. However, the Examiner makes no citation to any established scientific principles, or precedent established by prior case law, and therefore can only be relying on knowledge generally available to one of ordinary skill in the art. However, the Examiner provides no evidence of the ordinary skill in the art. In a case such as this, where the Examiner is improperly attempting to combine disparate references, the Examiner's omission of any details regarding the level of skill of one in the art is telling. The mere fact that references *can* be combined is *not sufficient* to establish obviousness under 35 U.S.C. §103(a). In re Mills, 916 F.2d 680 (Fed. Cir. 1990), MPEP §2143.01.

The Examiner cannot conclusively assert that one of ordinary skill in the art at the time of the invention would "allow borrowing points against future earnings (just as sick leave) in order to provide benefits to the newer members who haven't had time to accumulate the points (just as for sick leave (see excerpt below) and thereby win their loyalty". Shida's teachings preclude any such modification. What Shida teaches is the desirability of *promoting circulation* of points so as to *improve a value of using* the points. See, Shida ¶14, Abstract. Shida does not teach the desirability of "winning" a customer's loyalty -- Shida teaches the desirability of improving the value of *existing* points.

In fact, the Shida reference teaches away from making the combination as suggested by the Examiner. Nowhere within the Shida reference does it teach or suggest allowing a customer to use more points than what has been earned, as is claimed by the Applicant, by "authorizing a points overdraft if the customer has less than the predetermined number of points". Shida teaches that a user can only have tickets issued for the amount of points that have been accumulated and that, if the user tries to use more points than what has been accumulated, the tickets are invalidated and the tickets are unusable (See paragraphs 0060, 0062, 0075, 0079, reproduced below).

Indeed, a modification of Shida as proposed by the Examiner would destroy the principle of operation, in contravention of the strictures of §103(a). Shida functions to ensure that a user does not obtain a ticket representing a greater number of points than the user has accumulated – i.e., Shida functions precisely to prevent "authorizing a points overdraft if the customer has less than the predetermined number of points." Therefore, one of ordinary skill in the art would neither look to the Shida reference as a model of authorizing points overdrafts nor combine the Shida reference with the AFI 36-815 reference that teaches approving the use of advanced sick leave (see AFI 36-815 pp18-19) to reach the invention as claimed by the Applicant.

The Examiner correctly finds that the admitted prior art and the Shida reference do not teach or disclose, *inter alia*, allowing an overdraft of points against future points earnings (see para. 5 of the instant office action). For this limitation, among others, the Examiner relies on AFI 36-815. The Examiner alleges that because the AFI 36-815 reference "discloses that sick leave is earned and is redeemed (used) as needed" and that "[o]ne can borrow sick leave against future earnings and has to repay them against earnings, or in cash if one quits before enough leave accumulates" the AFI 36-815 reference teaches the limitations recited in independent claims 1, 10 and 19.

Specifically, the Examiner alleges that receiving a request for the award or benefit of actual days or parts thereof of pay while being off duty due to sickness, determining if the customer has a number of sick leave units to meet a predetermined number of sick leave units corresponding to the award request and authorizing a sick leave units overdraft if the customer has less that the predetermined number of sick leave units, teaches the limitations recited in claims 1, 10 and 19. While the Applicant is aware that the specification is not read into the claims, the specification is used to define the scope of the claims. Nowhere in the specification does the Applicant equate or define an award request as receiving regular pay while on sick leave (see page 8 lines 2-6). More importantly, one of ordinary skill in the art would also not make this leap unless they use impermissible hindsight as the Examiner has apparently done.

Additionally, the AFI 36-815 reference teaches the desirability of determining "how much leave employees earn" and "how to determine if a specific type of absence is charge to leave, excused without charge to leave, or considered official duty." See, page 1 of AFI 36-815. Further, the AFI 36-815 reference teaches that an advance of sick leave "is not considered a routine or standard procedure and will be granted only after all circumstances have been carefully weighed". See AFI 36-815, §3.11 on page 18. Thus, AFI 36-815 unequivocally teaches away from promoting circulation of points, and in fact teaches away from promoting circulation of points by teaching that such an award can only be granted "after all circumstances have been carefully weighed" in accordance with the numerous rules taught in sections 3.11.1-6.

Therefore, the AFI 36-815 reference does not teach or suggest, all of the claim limitations as claimed and described by the Applicant in independent claims 1, 10 and 19. For at least this reason, the rejection of independent claims 1, 10 and 19 must fail. Additionally, neither the admitted prior art nor the Shida patent cures these defects. Thus, the withdrawal of the rejection of claims 1, 10 and 19 under §103(a) is requested. Claims 2-9, 11-18 and 20-23, depend from independent claims 1, 10 and 19, respectively and include all of the limitations of those claims. For this reason claims 2-9, 11-18 and 20-23 are also allowable over the cited art. The withdrawal of the rejection of claims 2-9, 11-18 and 20-23 under §103(a) is requested.

Further regarding claims 6 and 15 (and 4 and 13 from which they depend), the Examiner took Official Notice that "it is well known for a business to charge interest on loans in order to make a profit." The Applicant traverses this Official Notice, taken by the Examiner. Even if this Official Notice were correct, it does not address the claims as recited by the Applicant. The Applicant does not recite limitations of charging interest on a loan in order to make a profit. Rather, the Applicant charges interest as a penalty not to increase profits as suggested by the Examiner. For this reason this taking of Official Notice is in error and should be withdrawn. For this additional reason, the withdrawal of the rejection of claims 6 and 15under 35 U.S.C. §103(a) is requested. Withdrawal of the official notice of the claim limitations recited in claims 6 and 15 is also requested.

SUMMARY

The Applicant respectfully submits that claims 1-23 fully satisfy the requirements of 35 U.S.C. §§ 101, 102, 103 and 112. In view of the foregoing amendments and remarks, favorable consideration and early passage to issue of the present application are respectfully requested.

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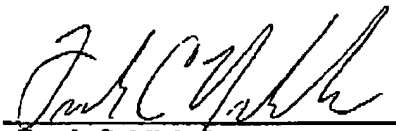
Respectfully Submitted,
Rick A. Hamilton II



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